

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

KOLO, LLC,

Plaintiff,

V.

KATE'S PAPERIE, LTD.,

Defendant.

07 Civ. 10653 (CM)

**AFFIRMATION OF DAVID S. VERSFELT, ESQ. IN SUPPORT OF MOTION TO  
DISMISS COUNTS ONE THROUGH FOUR AND NINE OF THE COMPLAINT**

STATE OF NEW YORK )  
 :  
COUNTY OF NEW YORK )

I, David S. Versfelt, hereby affirm and state as follows:

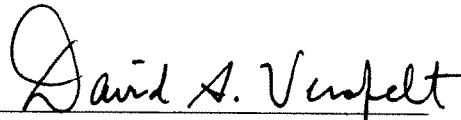
1. I am an attorney duly admitted to practice in the courts of New York State and before this Court. I am a partner in the law firm of Kirkpatrick & Lockhart Preston Gates Ellis LLP, which represents defendant Kate's Paperie, Ltd. ("Defendant") in this action. I am personally familiar with the specific matters asserted herein.

2. I submit this affirmation in support of Defendant's motion to dismiss counts I, II, III, IV and IX of the Complaint.

3. Attached hereto as Exhibit A is a true and correct copy of a Letter of Intent (“Acquisition LOI”) between Kate’s Paperie LTD and Affiliates, hereinafter “Kate’s,” and Kolo Retail, LLC, hereinafter “Kolo”, dated August 2, 2007.

4. Attached hereto as Exhibit B is a true and correct copy of a Letter of Intent (“Shop-in-Shop LOI”) between Kate’s and Kolo. The Shop-in-Shop LOI is undated and not executed.

5. Attached hereto as Exhibit C is a true and correct copy of the Complaint in this action.

  
David S. Versfelt

Dated: December 28, 2008  
New York, New York